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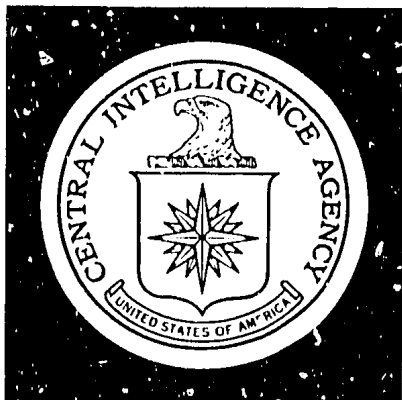
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Secret



OFFICE OF
NATIONAL ESTIMATES

MEMORANDUM

Taiwan and the Taiwanese

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28 June 1971

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

28 June 1971

MEMORANDUM^{*}

SUBJECT: Taiwan and the Taiwanese

DISCUSSION

1. The Taiwanese make up over 85 percent of the population on the island, but remain under the firm control of a small elite of mainlanders who fled to Taiwan in 1949. By claiming to be the legal government of all China, the Government of the Republic of China (GRC) has accorded Taiwan a role in its "national" government commensurate with the island's population, which is less than 2 percent of China's total population. Thus, although the Taiwanese are well represented in the local and provincial governments, the significant decisions for Taiwan are made by the KMT and GRC in Taipei; the Taiwanese have only token representation on these bodies.

* This memorandum was prepared by the office of National Estimates and was discussed with components of CIA.

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2. Within the large military force of over one-half million, the Taiwanese play a role not unlike that in political life. Taiwanese in the armed forces have increased steadily and now make up over 90 percent of the privates, but less than 20 percent of the NCO's. Their representation among the officer class is considerably lower, almost negligible among field-grade officers and above. Despite the inevitable aging of the mainlanders, the Taiwanese have no more chance of rising to command positions within the military than in the government.

3. In the economic sphere the Taiwanese have fared somewhat better, largely because they have shared in the impressive growth of the economy. At least on this point the Nationalists deserve credit. Their land reform program has given the farmer a greater stake in the island's economy and thus a share in the general prosperity. Except for the industries which the GRC took over from the Japanese, the economy of Taiwan is carried on in large degree by the Taiwanese themselves. In part this has resulted from the Gimo's reluctance to have his colleagues in the KMT become deeply entrenched in the Taiwanese business world. Thus, even though the mainlanders dominate financial and foreign

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trade activities, the Taiwanese have been given a relatively free hand in running the domestic market place.

4. Although there has been some gradual improvement in their relationship, the Taiwanese and the mainlanders still remain part of separate communities, linguistically, socially, and politically. The Taiwanese see themselves as members of the Chinese race (Han-jen), but not as members of a political China (Chung-kuo-jen).*

* Thus, for all its 25 years on Taiwan, the government of Chiang Kai-shek and the Kuomintang (KMT) remains an alien establishment to most of the Taiwanese. A practical consequence of this lack of Taiwanese identification with the GRC is resentment over the burdens, in the form of large defense costs and restrictions on public debate, flowing from the GRC's adherence to the myth of a return to the mainland.

There is even less political identification with Peking, and no desire among the Taiwanese to be pulled under the communist wing. Ideology is not the most important factor here, even though most Taiwanese realize that they have more freedom under the KMT's relatively benevolent dictatorship than would be the case under the PRC. More significant is the general awareness that any reunion with the mainland would involve diluting Taiwan's prosperity by averaging it down toward the much lower standards of the mainland.

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5. Despite the many uncertainties surrounding Taiwanese attitudes, it is possible to make one estimate with more than usual assurance. The people of Taiwan, if given a free choice, would opt for independence and reject rule by either the GRC or the PRC. This has, of course, never been put to the test. Certainly no one has polled the Taiwanese on what sort of government they would prefer. Yet in the limited first-hand contacts that Americans have had with them, there has been a consistency in response which reveals a strong Taiwanese preference for going their own way. During the 75 years that Taiwan has been under either Japanese or GRC control, the Taiwanese have gradually evolved a sense of their own identity.

6. Perhaps partly because of the close ties between the GRC and the US, there tends to be a paucity of information on the political attitudes of the Taiwanese people. [REDACTED]

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the GRC has shown increased tension

over its international position and the potential impact that an independence movement on Taiwan might have on this troubled

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situation.

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The section that follows, therefore, contains more speculative judgments than hard facts.

Taiwan Independence Movement

7. For all their fear of being swallowed by the communists and their dissatisfaction with the one-party rule and police-state controls of the GRC, the Taiwanese desire for independence has not found expression in an organized movement. The Taiwan Independence Movement appears to be little more than a rallying point for the Taiwanese living abroad. If TIM has developed an effective structure on Taiwan, it has escaped the persistent search of the authorities.

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level of competence among the police, it is apparent that they have instilled enough fear among political dissenters to prevent overt displays of anti-government feelings. While this makes for a surface appearance of public order, it may also be contributing to a more careful and effective organization on the covert level. The well-engineered escape of Professor Peng suggests that this may be the case, but we simply do not know.

8. Based on the evidence at hand, one has to conclude that the strong police forces available to the GRC are adequate to the task of maintaining internal order. But the attempt on the life of Chiang Ching-kuo in New York and recent efforts to smuggle explosives into Taiwan have greatly disturbed the GRC. In their effort to root out possible suspects there is danger of over-reaction. In turn this could lead to further escalation if the populace reacts to over-zealousness of the police. If it came to widespread rioting -- and the Taiwanese demonstrated in the bloody uprising against the GRC in 1947 that they are capable of serious rioting -- then it is an open question whether the army's mainlander officers could force the Taiwanese recruits to fire upon their fellow citizens. But even in this contingency the

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GRC could rely on elite security units made up largely of mainlanders. Thus, the best judgment is that the GRC has the capacity -- over the near term -- to suppress outbursts of violence and to prevent them from developing into a general revolt.

9. For some time to come the main role of TIM is likely to be that of an overseas organization seeking to arouse the conscience of the world in support of a "subject" people while waiting for a more favorable time to push the movement in Taiwan. Overt support for TIM on Taiwan will almost certainly remain highly dangerous. This will discourage recruiting and leave the movement susceptible to factionalism. Moreover, the Taiwanese have convinced themselves that time is on their side and that they can tolerate the rule of the GRC until the Gimo goes. The Taiwanese are not seething on the edge of revolt and many of them seem to believe that the Gimo's successors will give them a larger role in governing the island. In the meantime, they will concentrate on making the most of the economic prosperity, which is far more congenial and profitable than political action. This could change if their political expectations proved unrealistic or if the economic situation deteriorated. But

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economic prospects remain favorable and even though diplomatic losses are likely to slow the impressive gains in exports, the trade picture is likely to remain strong over the near term.

10. Thus, because of the weakness of TIM and the strength of the GRC's security apparatus, there is little reason to expect any sudden deterioration in public order. The most immediate crisis facing the government is a loss of its UN seat and a further weakening of its international position. Even this is likely to have little impact on the Taiwanese -- although it could shake the government. If there should be panic and confusion within the government, it is possible that public order could suffer. Thus, attacks on US installations can not be ruled out in circumstances in which the US is made the scapegoat for such reverses. This would more likely be a calculated response of the GRC, however, rather than any spontaneous public demonstration. But even in this case, the government would move carefully for fear that the demonstration would get out of control and turn on the organizers. In general, the international role of the GRC and its pretensions to be the legal government of the mainland are of little import to the Taiwanese.

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Indeed, there have been some earlier suggestions of quiet satisfaction at GRC embarrassments abroad.

11. More significant would be popular response to a change in GRC leadership. It seems unlikely that anyone -- in or out of the GRC -- expects such change before the Gimo, now 83, passes from the scene. The succession of elder son Chiang Ching-kuo (CCK) is already ordained and could be put into early operation by the retirement of Chiang Kai-shek. Even from retirement it seems likely that the prestige of the Gimo would suffice to keep down any serious squabbling within the GRC. We do not have much feel for how Chiang Ching-kuo might perform after his father's death. He clearly has adequate executive and managerial skills to handle the job. He may also have the political cunning of his father, who managed to survive and strengthen his hold on his party even while suffering overwhelming defeat on the battlefield. CCK has clearly moved to put his men in strategic positions and to prepare for taking over. Even though the Taiwanese may expect more concessions from CCK, there is no assurance that such will be the case. Indeed, without his father's prestige and facing declining international support, CCK may conclude that he must be firm in holding down any new demands from the Taiwanese.

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Looking Ahead

12. In sum, there is little prospect in the next several years of the Taiwanese gaining control of Taiwan or even of their emerging from the background to assert effectively any claim to such control. The GRC is likely to take heavier blows on the diplomatic front and at any time could lose its superannuated leader Chiang Kai-shek. But even a combination of these adverse turns is not likely to dislodge the tight hold of the KMT.

13. Over a much longer period, say 5 or 10 years, the range of possibilities widens considerably. The problem might be solved on Peking's terms. This could come about if the GRC came apart rather suddenly before the Taiwanese could put together a semblance of an independent republic. If the Taiwanese had insufficient time to make a convincing moral case before those powers that counted -- most likely Japan and the US -- an indifferent world would likely stand aside as Peking moved to take over a defenseless Taiwan. GRC remnants might even facilitate this by trying to work out a deal with Peking. The Taiwanese would be opposed to such a development but would be powerless to stop it without international support.

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14. The other main possibility, probably containing more realistic elements, is that the GRC does not collapse suddenly, retains its defense commitment from the US, and reconciles itself to governing Taiwan as an independent political entity. Over a time span of 5 or 10 years, the leadership of the GRC would suffer considerable losses from mortality; the ideological absolutism of the elder Chiang would have been lost; the pretense of being the legal government of all China would probably have atrophied. For their part, the Taiwanese would have increased their proportion in the total population and might also have increased their role in the government and in the army. During this time the mainlanders might conclude that they could survive on Taiwan only by blending into the population. This melding process might move slowly at first, but would tend to pick up speed as the second generation took over.

15. Under such a course of development, the Taiwanese might be content to increase their political role by small increments, convinced that time was on their side. If the GRC tried to limit this shift of power even while the Taiwanese were increasing their role in the army and the police, there would be

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the chance of a revolt. But this would only be likely if the GRC stumbled badly and failed to maintain its elite security forces. More likely the slow transition toward a "Taiwanese" state would proceed with a sense of inevitability on the part of the mainlanders.

16. But the above possibilities are contingent upon international developments beyond the control of the Taiwanese. Peking will oppose any tendency toward an independent Taiwan and will likely make its relations with the US and Japan contingent on how the Taiwan issue is handled. Of course, the longer Taiwan survives as a separate entity, the stronger its case for perpetuating that status. And aside from the PRC, the rest of the world may see moral justice in the idea of an independent Taiwan run by the Taiwanese. But with the PRC and GRC both firmly committed to the principle that there is but one China and with the implications this has for diplomatic, commercial, and military relations, no important combination of leaders in the international community seems likely to pick up the ball for Taiwanese independence.

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